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RECORDATION NO. _____ Filed & Recorded

SUBLEASE OF RAILROAD EQUIPMENT DEC 21 1972 - 10 45 AM

between

INTERSTATE COMMERCE COMMISSION

THE INDIANA NATIONAL BANK,

Lessee Trustee

THE INDIANAPOLIS UNION RAILWAY COMPANY,

Sublessee

Dated as of December 18, 1972

[Covering 3 Locomotives]

SUBLEASE OF RAILROAD EQUIPMENT

SUBLEASE OF RAILROAD EQUIPMENT dated as of December 18, 1972, between THE INDIANA NATIONAL BANK, as Trustee under a Lessee Trust Agreement dated as of December 18, 1972, with INDIANA NATIONAL LEASING, INC., as beneficiary (said Trustee acting in such capacity being hereinafter called the Sublessor in this Agreement and said beneficiary being hereinafter called the Beneficiary in this Agreement), and THE INDIANAPOLIS UNION RAILWAY COMPANY, an Indiana Corporation (hereinafter called the Sublessee in this Agreement).

WHEREAS, Sublessee has heretofore entered into a Purchase Agreement No. IU-8015, dated August 21, 1972, to General Motors Corporation (Electro-Motive Division) ("Manufacturer"), which Purchase Agreement has been assigned to The Indiana National Bank, as trustee under an Owner Trust Agreement dated December 18, 1972, with Steak n Shake, Inc., as beneficiary (said Trustee acting in such capacity being hereinafter called the Lessor in this Agreement), pursuant to an Assignment of Purchase Agreement dated as of December 18, 1972, ("Assignment") consented to by Manufacturer, under which Purchase Agreement and Assignment Manufacturer has agreed to manufacture, sell and deliver to Lessor the units of railroad equipment described in Schedule A hereto (such units being hereinafter called the "Equipment");

WHEREAS, the Lessor proposes to grant and transfer a security interest in the Equipment pursuant to a Security Agreement Covering Railroad Equipment (hereinafter called the "Security Agreement"), dated as of December 18, 1972, to The Indiana National Bank (hereinafter referred to as the "Lender"), to secure the payment when due of principal and interest under the Promissory Note from Lessor to the Lender ("Note");

WHEREAS, the Lessor proposes to lease the Equipment to the Sublessor pursuant to a Lease of Railroad Equipment dated as of the date hereof (hereinafter referred to as the "Lease");

WHEREAS, the Sublessee desires to sublease all the units of said railroad equipment from the Sublessor at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Sublessee, the Sublessor hereby leases the Equipment to the Sublessee upon the following terms and conditions, but, upon default of the Sublessee hereunder, subject to all the rights and remedies of the Lender under the Security Agreement:

§1. DELIVERY AND ACCEPTANCE OF EQUIPMENT. The Sublessor will cause the Equipment to be tendered to the Sublessee at the point or points at which, and on the date or dates on which, such Equipment is delivered to the Lessor under the Assignment and the Sublessor under the Lease. Upon such tender, the Sublessee will cause an authorized representative of the Sublessee to inspect the same, and if the Equipment is found to be in good order, to accept delivery of the Equipment and to execute and deliver to the Sublessor, the Lessor and to the Manufacturer a certificate of acceptance and delivery (hereinafter called the Certificate of Delivery), whereupon such Equipment shall be deemed to have been delivered to and accepted by the Sublessee and shall be subject thereafter to all the terms and conditions of this Sublease. In no event shall the Sublessee place any unit of the Equipment in service or otherwise use any of the Equipment prior to the Sublessee's acceptance of delivery of such Equipment hereunder.

The Sublessee represents and warrants that, at the time of delivery of the Equipment to the Sublessee, the Equipment will not have been used by the Sublessee and no amortization or depreciation will have been claimed by the Sublessee with respect thereto.

§2. RENTALS. The Sublessee agrees to pay to the Sublessor as rental for the Equipment subject to this Sublease 60 consecutive quarterly payments commencing three (3) months after the date of delivery of the Equipment, and, thereafter, on the same day of each succeeding quarter. Each rental payment shall be in an amount equal to 2.79039% of the purchase price of the Equipment as set forth in the Invoice from the Manufacturer to the Lessor, and in Schedule A hereto.

As additional rental for the Equipment, Sublessee agrees to pay to Sublessor on the date of delivery of the Equipment an amount equal to the prepaid freight charges invoiced by the Manufacturer for delivery of the Equipment to Sublessee's tracks in Indianapolis, Indiana.

The Sublessee hereby agrees to make all the payments provided for in this Sublease in immediately available funds (including but not limited to the payments required under §§2 and 6 hereof) for the account of the Sublessor, at The Indiana National Bank, Indianapolis, Indiana.

This Sublease is a net lease and the Sublessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due to, or by reason of, any past, present or future claims of the Sublessee against the Sublessor under this Sublease or the Manufacturer or otherwise; nor, except as otherwise expressly provided herein, shall this Sublease terminate, or the respective obligations of the Sublessor or the Sublessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Equipment from whatsoever cause, the prohibition of or other restriction against use of all or any of the Equipment by the Sublessee or any other person, the interference with such use by any private person or entity, the invalidity or unenforceability or lack of due authorization of this Sublease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Sublessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Sublease.

§3. TERM OF SUBLEASE. The term of this Sublease shall begin on the date of the delivery to and acceptance by the Sublessee of the Equipment and, subject to the provisions of §§6, 9 and 12 hereof, shall terminate on the date on which the final quarterly payment of rent in respect thereof is due hereunder.

Notwithstanding anything to the contrary contained herein, all rights and obligations of this Sublease and in and to the Equipment, upon default by the Sublessee hereunder, are subordinate, junior in rank and subject to the rights of the Lender under the Note and Security Agreement.

§4. IDENTIFICATION MARKS. The Sublessee will cause each unit of the Equipment to be kept numbered with the identifying number set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of the Equipment, in letters not less than one inch in height, the following words:

THE INDIANA NATIONAL BANK,
SECURITY OWNER

or other appropriate words designated by the Sublessor, with appropriate changes therein and additions thereto as from time to time may be required by law in order to protect the title of the Lessor or the Lender to the Equipment and the rights of the Lessor under the Lease and of the Lender under the

Security Agreement. The Sublessee will not place any of the Equipment in operation or exercise any control or dominion over the same until such names and word or words shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Sublessee will not change the identifying number of any of the Equipment except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Sublessor, the Lender and the Lessor by the Sublessee and filed or recorded in all public offices where the Lease and this Sublease will have been filed or recorded.

Except as above provided, the Sublessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Sublessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Sublessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the Equipment as permitted under this Sublease.

§5. TAXES. All payments to be made by the Sublessee hereunder will be free of expense to the Sublessor for collection or other charges and will be free of expense to the Sublessor with respect to the amount of any local, state or United States taxes (other than any United States income tax and other than the aggregate of all state or city income taxes or franchise taxes payable to any United States jurisdiction measured by net income based on such receipts up to the amount of any such taxes which would be payable to the state and local taxing jurisdictions in which the Sublessor has its principal place of business if such receipts were not apportionable to any other state), assessments, duties or license fees, and any charges, fines or penalties in connection therewith (all such expenses, taxes, assessments, duties, license fees, charges, fines and penalties being hereinafter called impositions), hereafter levied or imposed upon or in connection with or measured by this Sublease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Purchase Agreement and the Assignment, or under the Lease, all of which impositions the Sublessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Sublessee will also pay promptly all impositions which may be imposed upon the Equipment or for the use or operation thereof or upon the Sublessee's earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof or upon the Sublessor solely by reason of its interests under the Lease or this Sublease and will keep at all

times all and every part of the Equipment free and clear of all impositions which might in any way affect the title of the Lessor or the interest of the Sublessor or result in a lien upon such Equipment; provided, however, that the Sublessee shall be under no obligation to pay any impositions so long as it is contesting in good faith and by appropriate legal or administrative proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor under the Lease, or the interests of the Sublessor hereunder. If any impositions shall have been charged or levied against the Lessor or the Sublessor directly and paid by the Lessor or the Sublessor, the Sublessee shall reimburse the Lessor or the Sublessor, as the case may be, on presentation of invoice therefor; provided, however, that the Sublessee shall not be obligated to reimburse the Lessor or the Sublessor for any impositions so paid unless the Lessor or the Sublessor shall have been legally liable with respect thereto (as evidenced by an opinion of counsel for the Lessor or the Sublessor who is acceptable to the Sublessee) or unless the Sublessee shall have approved the payment thereof.

In the event that the Lessor shall become obligated to make any payment for impositions, as the same are defined under paragraph 1 of this §5, to the Manufacturer or the Lender pursuant to the Purchase Agreement and related Assignment or the Security Agreement not covered by the foregoing paragraph of this §5, or the Sublessor shall become obligated to make any payment to the Lessor pursuant to §5 of the Lease not covered by the foregoing paragraph of this §5, the Sublessee shall pay such additional amounts (which shall also be deemed impositions hereunder) to the Lessor or the Sublessor as will enable the Lessor or the Sublessor to fulfill completely its obligations to the Manufacturer and the Lender or the Lessor pursuant to said agreements.

In the event any reports with respect to impositions are required to be made, the Sublessee will either make such reports in such manner as to show the interests of the Lessor, the Sublessor and the Lender in the Equipment or notify the Lessor, the Sublessor and the Lender of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor, the Sublessor and the Lender.

In the event that, during the continuance of this Sublease, the Sublessee becomes liable for the payment or reimbursement of any impositions pursuant to this §5, such liability shall continue, notwithstanding the expiration of this Sublease, until all such impositions are paid or reimbursed by the Sublessee.

§6. PAYMENT FOR CASUALTY OCCURRENCES. In the event that any of the Equipment shall be or become worn out, lost, stolen, destroyed, irreparably damaged or damaged beyond

economic repair, from any cause whatsoever or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called Casualty Occurrences) during the term of this Sublease, the Sublessee shall promptly after it shall have determined that the Equipment has suffered a Casualty Occurrence, fully inform the Lessor, the Sublessor and the Lender in regard thereto. On the next succeeding rental payment date in respect of the Equipment, the Sublessee shall pay to the Sublessor an amount equal to the accrued rental for such unit of the Equipment to the date of such payment plus a sum equal to the Casualty Value, as hereinafter defined, of such unit of the Equipment as of the date of such payment in accordance with the schedule set out below. Upon the making of such payment by the Sublessee in respect of any unit of the Equipment, the rental for such unit of the Equipment shall cease to accrue as of the date of such payment, the term of this Sublease as to such unit of the Equipment shall terminate and the Sublessee shall be entitled to recover possession of such unit of the Equipment. The Sublessor shall, upon request of the Sublessee, after payment by the Sublessee of a sum equal to the Casualty Value of any unit of the Equipment, obtain title to such unit of the Equipment and execute and deliver to or upon the order of the Sublessee a bill of sale (without warranties) for such unit of the Equipment.

The Casualty Value of each unit of the Equipment as of any rental payment date in respect of such unit of the Equipment shall be that percentage of the Purchase Price applicable to such unit of the Equipment set forth in the schedule set out below opposite the number of such rental payment date:

<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>
1.....	104.79189%	21.....	85.92291%	41.....	51.36893%
2.....	101.44965	22.....	85.56509	42.....	49.56169
3.....	100.76134	23.....	84.60987	43.....	47.72349
4.....	100.21208	24.....	83.13030	44.....	45.35322
5.....	99.79027	25.....	81.64076	45.....	43.94973
6.....	99.37916	26.....	80.16020	46.....	42.01188
7.....	99.05705	27.....	78.66645	47.....	40.03352
8.....	98.81543	28.....	77.15873	48.....	38.02841
9.....	98.64555	29.....	71.05739	49.....	35.98036
10.....	98.39446	30.....	69.53093	50.....	33.89310
11.....	98.18884	31.....	67.98654	51.....	31.76535
12.....	98.02344	32.....	66.42338	52.....	29.59586
13.....	97.89266	33.....	64.84054	53.....	27.38320
14.....	93.04637	34.....	63.24258	54.....	25.12610
15.....	92.79531	35.....	61.62201	55.....	22.82313
16.....	92.55651	36.....	59.97789	56.....	20.47288
17.....	92.32595	37.....	58.30924	57.....	18.07388
18.....	91.94733	38.....	56.61538	58.....	15.62466
19.....	91.52890	39.....	54.89470	59.....	13.12370
20.....	91.11915	40.....	53.11158	60.....	10.56948
				61.....	10.0000

Except as hereinabove in this §6 provided, the Sublessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any unit of the Equipment after delivery to and acceptance thereof by the Sublessee hereunder.

The Sublessee shall, at its own cost and expense, insure each locomotive from the time of delivery and at all times thereafter until Sublessee's obligations under this Sublease with respect to such locomotives have been discharged, against loss, damage or destruction thereto caused by fire, lightning, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion, such insurance, in the case of each locomotive, to be in an amount satisfactory to Sublessor, except that such coverage may be limited so that no loss amounting to less than \$25,000.00 on each locomotive shall be payable. In addition, Sublessee shall, at its own cost and expense, carry public liability insurance in such amounts as may reasonably be requested by Sublessor which insurance shall name Steak n Shake, Inc., Lessor and Sublessor as additional insureds. All such insurance shall be payable to the Lender, the Lessor, the Sublessor and the Sublessee as their interests may appear to the extent that the Sublessee is permitted to do so under such policies of insurance. All insurance proceeds received by the Sublessor shall be paid over to the Sublessee if the Sublessee has fully complied with all of its obligations and indemnifications in respect of the risk insured against for which such proceeds were paid by the insurance company. Any net insurance proceeds as the result of insurance carried by the Sublessee or proceeds of payments from any governmental agency as compensation for requisition by condemnation received by the Sublessor in respect of Equipment suffering a Casualty Occurrence shall be deducted from the amounts payable by the Sublessee to the Sublessor in respect of Casualty Occurrences pursuant to this §6. If the Sublessor shall receive any such net insurance proceeds or any such condemnation payments after the Sublessee shall have made payments pursuant to this §6 without deduction for such net insurance proceeds or such condemnation payments, the Sublessor shall pay such proceeds to the Sublessee up to an amount equal to the Casualty Value with respect to a unit of the Equipment paid by the Sublessee and any balance of such proceeds shall remain the property of the Sublessor.

§7. ANNUAL REPORTS. On or before March 31 in each year commencing with the year 1974, the Sublessee will cause to be furnished to the Lessor, the Sublessor and the Lender in such number of counterparts or copies as may reasonably be requested an accurate statement, as of the preceding January 1, (a) showing the amount, description and number of the Equipment then leased hereunder, the amount, description and number of all units of the Equipment that may have suffered

a Casualty Occurrence during the preceding 12 months (or since the date of this Sublease, in the case of the first such statement), and such other information regarding the condition and state of repair of the Equipment as the Lessor, the Sublessor or the Lender may reasonably request and (b) stating that, in the case of all units of the Equipment repainted during the period covered by such statement, the markings required by §4 hereof and Section 2 of the Security Agreement shall have been preserved or replaced. The Sublessor shall have the right at its sole cost and expense, by its authorized representatives, to inspect the Equipment and the Sublessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Sublessor the existence and proper maintenance thereof during the continuation of this Sublease. The Sublessee shall not be liable, except in the case of negligence of the Sublessee or of its employees or agents, for any injury to, or death of, any person exercising on behalf of Sublessor the right of inspection granted under this section.

§8. DISCLAIMER OF WARRANTIES; SUBLESSOR'S REPRESENTATION AND WARRANTIES; COMPLIANCE WITH LAWS AND RULES; MAINTENANCE; AND INDEMNIFICATION. THE SUBLESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT DELIVERED TO THE SUBLESSEE HEREUNDER, AND THE SUBLESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE, it being agreed that all such risks, as between the Sublessor and the Sublessee, are to be borne by the Sublessee; but the Sublessor hereby irrevocably appoints and constitutes the Sublessee its agent and attorney-in-fact during the term of this Sublease to assert and enforce from time to time, in the name and for the account of the Sublessor and/or the Sublessee, as their interests may appear, whatever claims and rights the Sublessor may have, as assignee of the rights of the Lessor as Assignee under the Purchase Agreement. Sublessee's acceptance of delivery of the Equipment shall be conclusive evidence as between the Sublessee and the Sublessor that the Equipment described in the Certificate of Delivery are in all the foregoing respects satisfactory to the Sublessee and the Sublessee will not assert any claim of any nature whatsoever against the Sublessor based on any of the foregoing matters.

The Sublessor represents and warrants as follows:

(i) At the time of delivery of the Equipment under this Sublease, the Sublessor shall have such interest in the Equipment as is derived under the Lease, unimpaired by any act or omission of the Sublessor which will in any manner prevent the

performance of this Sublease in accordance with its terms and, in addition, the Equipment shall be free and clear of all claims, liens and encumbrances which may result from claims against the Sublessor not arising out of the Lease or the Security Agreement which will prevent the performance of this Sublease in accordance with its terms; and

(ii) So long as the Sublessee shall not be in default under this Sublease, the Sublessor shall not do (or suffer to be done by any person claiming through or against the Sublessor and not against the Sublessee) any act which interferes with any and all rights of the Sublessee to peaceably and quietly hold, possess and use the Equipment in accordance with the terms of this Sublease.

The Sublessor covenants that any sale, assignment, transfer, mortgage or other disposition which it may make of this Sublease or of the Equipment, whether prior or subsequent to delivery to the Sublessee, shall be expressly subject to the terms and provisions of this Sublease; provided, however, that this Sublease shall be subordinated to the rights of the Lender under the Security Agreement but neither the Lessor, the Sublessor nor the Lender shall have the right to terminate or impair the Sublessee's possession or use of the property subject to this Sublease so long as the Sublessee shall not be in default under the Sublease; and, subject to the foregoing, covenants that the Sublessor has not done and will not do (or suffer to be done by any person claiming through or against the Sublessor) any act which interferes with or impairs (x) the Sublessee's possession and use in accordance with the terms of this Sublease of the Equipment or (y) the title to the Equipment which may be transferred or conveyed to the Sublessee under the provisions of §§6 and 12 of this Sublease and that any title so conveyed shall then be free of any lien, claim and encumbrance of the Lessor or the Lender.

The Sublessor covenants and agrees not to alter, amend or modify the Lease without the prior written consent of the Sublessee.

The Sublessee agrees, for the benefit of the Lessor, the Sublessor and the Lender, to comply in all respects with all laws of the jurisdictions in which the Equipment may be operated, and with all lawful rules of all legislative, executive, administrative or judicial bodies exercising any power or jurisdiction over the Equipment; and in the event that such laws or rules require alteration of the Equipment, the Sublessee will conform therewith at its own expense and will maintain the

same in proper condition for operation under such laws and rules; provided, however, that the Sublessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, the Sublessor or the Lender, adversely affect the interest of the Sublessor hereunder or the property or rights of the Lessor under the Lease or the property or rights of the Lender under the Security Agreement.

The Sublessee agrees that, at its own cost and expense, it will maintain and keep each unit of the Equipment which is subject to this Sublease in good order and repair, reasonable wear and tear excepted.

Any and all additions to the Equipment and any and all replacements of any unit of the Equipment and of parts thereof shall constitute accessions to the Equipment (except such as can be removed without damage to and without impairing the originally intended function or use of the Equipment, and which have been added by the Sublessee and are not included in the Purchase Price of the Equipment, and are not required for the normal operation or use of the Equipment, [hereinafter called Temporary Additions]), and at the cost and expense of the Sublessee, full ownership thereof free of any lien, charge, security interest or encumbrance (except for those created by the Security Agreement or the Lease) shall immediately be vested in the Lessor and the Lender as their respective interests appear in the Equipment itself. Upon termination of this Sublease, the Sublessee will remove the Temporary Additions from the Equipment and restore the Equipment to satisfactory operating condition and to their original physical condition at the time of delivery thereof to the Sublessee hereunder, reasonable wear and tear excepted.

The Sublessee agrees to indemnify and save harmless the Sublessor, the Beneficiary, the Lessor, Steak n Shake, Inc. and the Lender against any charge or claim made against any of them, and against any expense, loss or liability (including but not limited to counsel fees and expenses, patent liabilities, penalties and interest) which any of them may incur in any manner by reason of entering into or the performance of the Assignment, the Security Agreement, the Lease or this Sublease or by reason of the ownership of the Equipment, or which may arise in any manner out of or as the result of the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of the Equipment under the Lease or the Sublease. The Sublessee further agrees to indemnify and save harmless the Sublessor, the Beneficiary, the Lessor, Steak n Shake, Inc. and the Lender against any charge, claim, expense, loss or liability on account of any accident in connection with the operation, use, condition, possession or storage of the Equipment resulting in damage to property or injury to any person. The indemnities arising under this

paragraph shall survive payment of all other obligations under this Sublease or the termination of this Sublease. Anything herein to the contrary notwithstanding, the Sublessee shall not be obligated to indemnify under this paragraph in respect of any charge, claim, expense, loss or liability attributable to a unit of the Equipment which, and to an event occurring after the Equipment shall have been returned to the Sublessor (unless at the time the Equipment is in the possession of or being stored by the Sublessee) pursuant to §§10 or 13 hereof; provided, however, that such charge, claim, expense, loss or liability does not arise as a result of mechanical defects of the Equipment which existed at the time the Equipment was so returned.

The Sublessee agrees to prepare and deliver to the Sublessor and the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Sublessor and the Lessor) any and all reports to be filed by the Sublessor or the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Equipment or the leasing thereof to the Sublessor or the subleasing thereof to the Sublessee.

§9. DEFAULT. If, during the continuance of this Sublease, one or more of the following events (hereinafter sometimes called Events of Default) shall occur:

A. default shall be made in the payment of any part of the rental provided in §2 hereof and such default shall continue for 10 days;

B. the Sublessee shall make or permit any unauthorized assignment or transfer of this Sublease or of possession of the Equipment, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Sublessee contained herein and such default shall continue for 25 days after written notice from the Sublessor specifying the default and demanding that the same be remedied;

D. any proceedings shall be commenced by or against the Sublessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, re-adjustments of indebtedness, reorganizations, arrangements, compositions or extensions

(other than a law which does not permit any readjustment of the obligations of the Sublessee hereunder) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Sublessee under this Sublease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Sublessee or for the property of the Sublessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceeding shall have been commenced, whichever shall be earlier;

then, in any such case, the Sublessor, at its option may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Sublessee of the applicable covenants of this Sublease or to recover damages for the breach thereof; or

(b) by notice in writing to the Sublessee terminate this Sublease, whereupon all rights of the Sublessee to the use of the Equipment shall absolutely cease and terminate as though this Sublease, had never been made, but the Sublessee shall remain liable as hereinafter provided; and thereupon the Sublessor may by its agents enter upon the premises of the Sublessee or other premises where any of the Equipment may be and take possession of all or any of such Equipment and thenceforth hold, possess and enjoy the same free from any right of the Sublessee or its successors or assigns, to use the Equipment for any purposes whatever; but the Sublessor shall, nevertheless, have a right to recover from the Sublessee any and all amounts which under the terms of this Sublease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days

less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Sublessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each unit of the Equipment, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rentals for the Equipment which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Sublease as to the Equipment over (y) the then present value of the rentals which the Sublessor reasonably estimates to be obtainable for the use of the Equipment during such period, such present value to be computed in each case on a basis of a 7 1/2% per annum discount, compounded quarter-annually from the respective dates upon which rentals would have been payable hereunder had this Sublease not been terminated, (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Sublessor shall have sustained by reason of the breach of any covenant or covenants or this Sublease other than for the payment of rental, and (iii) an amount which, after deduction of all taxes required to be paid by the Sublessor in respect of the receipt thereof under the laws of the United States or any political subdivision thereof, shall be equal to such sum as, the Sublessor is required to pay to the Lessor which in the reasonable opinion of the Lessor, will cause the Lessor's net return under the Lease, after taking into account such portion of the payments made to Sublessor under Section 9(b)(i) as are paid to the Lessor by the Sublessor, to be equal to the net return that would have been available to the Lessor if it had been entitled to utilization of all or such portion of the depreciation deductions available to non-railroad lessors of railroad equipment which was lost, not claimed, not available for claim or disallowed in respect of any unit of the Equipment as a result of the termination of the Sublease and resulting termination of the Lease, the Sublessor's

loss of the right to use such Equipment, or the sale or other disposition of the Lessor's interest in the Equipment after the occurrence of an Event of Default.

The remedies in this Sublease provided in favor of the Sublessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Sublessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Sublessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Sublessee or on its behalf.

The failure of the Sublessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

§10. RETURN OF EQUIPMENT UPON DEFAULT. If this Sublease shall terminate pursuant to §9 hereof, the Sublessee shall forthwith deliver possession of the Equipment to the Sublessor. For the purpose of delivering possession of the Equipment to the Sublessor as above required, the Sublessee shall at its own cost, expense and risk:

A. forthwith place the Equipment upon such storage tracks of the Sublessee as the Sublessor reasonably may designate,

B. permit the Sublessor to store the Equipment on such tracks at the risk of the Sublessee until all the Equipment has been sold, leased or otherwise disposed of by the Sublessor, and

C. transport the same to any place on the lines of railroad operated by it for shipment, all as directed by the Sublessor.

The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided shall be at the expense and risk of the Sublessee and are of the essence of this Sublease, and upon application to any court of equity having jurisdiction in the premises the Sublessor shall be entitled to a decree against the Sublessee requiring specific performance of the covenants of the Sublessee so to assemble, deliver,

store and transport the Equipment. During any storage period, the Sublessee will permit the Sublessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any of the Equipment to inspect the same; provided, however, that the Sublessee shall not be liable, except in the case of negligence of the Sublessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Sublessor or any prospective purchaser, the rights of inspection granted under this sentence.

Without in any way limiting the obligation of the Sublessee under the foregoing provisions of this §10, the Sublessee hereby irrevocably appoints the Sublessor as its agent and attorney, with full power and authority, at any time while the Sublessee is obligated to deliver possession of the Equipment to the Sublessor, to demand and take possession of the Equipment in the name and on behalf of the Sublessee from whomsoever shall be at the time in possession of the Equipment.

§11. ASSIGNMENT; POSSESSION AND USE. This Sublease shall be assignable in whole or in part by the Sublessor without the consent of the Sublessee but subject to the rights of the Sublessee hereunder; provided, however, that the Sublessee shall be under no obligation to any assignee of the Sublessor except upon written notice of such assignment from the Sublessor. All the rights of the Sublessor hereunder (including, but not limited to, the rights under §§5, 9 and 15 of this Sublease) shall inure to the benefit of the Beneficiary and the Sublessor's assigns. Whenever the term Sublessor is used in this Sublease it shall apply and refer to the Beneficiary and any assignee of the Sublessor and, where the context so requires (including, but not limited to, certain of the provisions of §§9 and 15 of this Sublease), shall refer only to the Beneficiary.

So long as the Sublessee shall not be in default under this Sublease, the Sublessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Sublease, but, without the prior written consent of the Sublessor, the Sublessee shall not assign or transfer its leasehold interest under this Sublease in the Equipment or any of them. In addition, the Sublessee, at its own expense, will promptly cause to be duly discharged any lien, charge, security interest or other encumbrance (other than an encumbrance resulting from claims against the Sublessor, the Lessor or the Lender not related to the ownership of the Equipment, the Lease or the Sublease) which may at any time be imposed on or with respect to the Equipment including any accession thereto or the interests of the Sublessor, the Lessor, the Lender or the Sublessee therein. The Sublessee shall not, without the prior written consent of the Sublessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment.

So long as the Sublessee shall not be in default under this Sublease, the Sublessee shall be entitled to the possession of the Equipment and to the use thereof by it upon its lines of railroad or upon lines of railroad over which the Sublessee has trackage or other operating rights or over which railroad equipment of the Sublessee is regularly operated pursuant to contract, but only upon and subject to all the terms and conditions of the Lease, the Security Agreement and this Sublease; provided, however, that the Sublessee shall not assign or permit the assignment of any unit of the Equipment to service involving the regular operation and maintenance thereof outside the United States of America. The Sublessee may receive and retain compensation for such use from railroads so using any of the Equipment.

§12. PURCHASE OR RENEWAL OPTION. Provided that this Sublease has not been earlier terminated and the Sublessee is not in default hereunder, the Sublessee may, by written notice delivered to the Sublessor not less than six months prior to the end of the original term or any extended term of this Sublease, as the case may be, elect (i) to extend the term of this Sublease in respect of all, but not fewer than all, units of the Equipment for successive periods of five years commencing on the scheduled expiration date of the term of this sublease of the Equipment, provided that no such extended term shall extend beyond December 30, 1997, at a rental payable in quarterly payments, in an amount equal to the "Fair Market Rental"; and (ii) to purchase all, but not fewer than all, of the units of the Equipment at the end of the respective original or extended term of sublease at a price equal to the respective "Fair Market Value" of the Equipment as of the end of such terms.

Fair Market Value or Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the value or rental which would obtain in an arm's length transaction, for Equipment in good order and repair, between an informed and willing buyer-user or lessee, as the case may be, (other than (i) a lessee currently in possession and (ii) a used equipment dealer) and an informed and willing seller or lessor, as the case may be, under no compulsion to sell or lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If the Sublessor and the Sublessee are unable to agree upon a determination of the Fair Market Value or the Fair Market Rental of the Equipment, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as the Sublessor and the Sublessee may mutually agree upon, or failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Sublessor, the second by the Sublessee and the third designated by the first two so selected. The Appraiser shall be instructed to make

such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Sublessor and the Sublessee. The determination so made shall be conclusively binding upon both Sublessor and Sublessee. The expenses and fee of the Appraiser shall be borne equally by the Sublessee and Sublessor.

§13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM. As soon as practicable on or after the expiration of the original term or any renewal term of this Sublease, the Sublessee will (unless the Equipment is sold to the Sublessee), at its own cost and expense, at the request of the Sublessor, deliver possession of the Equipment to the Sublessor upon such storage tracks of the Sublessee as the Sublessor may reasonably designate and permit the Sublessor to store the Equipment on such tracks for a period not exceeding six months and transport the same, at any time within such six-month period, to any reasonable place on the lines of railroad operated by the Sublessee, all as directed by the Sublessor upon not less than 30 days' written notice to the Sublessee; the movement and storage of the Equipment to be at the expense and risk of the Sublessee. During any such storage period the Sublessee will permit the Sublessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of the Equipment, to inspect the same; provided, however, that the Sublessee shall not be liable, except in the case of negligence of the Sublessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Sublessor or any prospective purchaser, the rights of inspection granted under this sentence. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Sublease, and upon application to any court of equity having jurisdiction in the premises, the Sublessor shall be entitled to a decree against the Sublessee requiring specific performance of the covenants of the Sublessee so to assemble, deliver, store and transport the Equipment. If the Sublessor shall elect to abandon any of the Equipment, within six months after the termination of this Sublease in respect of such Equipment, it may deliver written notice to such effect to the Sublessee and the Sublessee shall thereupon assume and hold the Sublessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice, and the Sublessee may thereafter dispose of such Equipment for its own account.

§14. OPINIONS OF COUNSEL. On the Closing Date the Sublessee will deliver to the Sublessor, the Lessor and the Lender counterparts of a favorable opinion addressed to them as of the Closing date in form and substance satisfactory to each of them, as to: (i) the due incorporation, valid existence and

good standing of Sublessee, and the full power, authority and legal right of Sublessee to execute, deliver and perform its obligations under the Sublease and the Assignment of Purchase Agreement: (ii) the due authorization, execution and delivery by Sublessee of each of such documents to which it is a party, and the legality, validity and binding effect as to Sublessee of each such document and the enforceability of each such document against Sublessee in accordance with the terms thereof; (iii) no governmental consent, authorization, approval or filing being required for the carrying out by Sublessee of any of the transactions contemplated hereby except such as have been obtained or made, specifying the same; (iv) the execution, delivery and performance of each document executed by Sublessee not being in violation of its charter or by-laws or, to the best knowledge and belief of such counsel, of any indenture, agreement or other instrument, license, judgment, order, statute, law or governmental regulation applicable to it; (v) the Lease, the Collateral Assignment, the Security Agreement and the Sublease have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and such filing and recording will protect the Lender's, Owner Trustee's and Lessee Trustee's respective interests in and to the Equipment in the United States of America and no other filing or recording (or giving of notice) with any other federal, state or local government is necessary to protect the respective interests of the Lender, Owner Trustee and Lessee Trustee in and to the Equipment in the United States of America; (vi) to the knowledge of such counsel there being no pending or threatened suits or proceedings which might materially affect the consummation of the transactions contemplated by this Sublease and the documents referred to herein or the full performance of the obligations of the Sublessee; (vii) such other matters incident to the transactions contemplated by this Sublease as the participants may reasonably request.

§15. FEDERAL INCOME TAXES. The Lessor, as the Owner of the Equipment, shall be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended, to an owner of property including, without limitation, an allowance for depreciation on an accelerated basis. In that connection Sublessee represents, warrants and agrees for the benefit of the Lessor that the Sublessee has not and will not have placed in service or used the Equipment prior to the date of delivery thereof to the Sublessee pursuant to this Sublease.

§16. RECORDING; EXPENSES. The Sublessor shall, at its expense, prior to the delivery and acceptance of any of the Equipment cause this Sublease, the Collateral Assignment, the Security Agreement and the Lease to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act.

The Sublessee will, from time to time and at its expense, do and perform any act and will execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Lessor or the Sublessor for the purpose of proper protection, to the satisfaction of the Lessor, the Sublessor and their counsel, of the Lendor's and the Lessor's respective interests in the Equipment, and the Sublessor's interest hereunder, or for the purpose of carrying out the intention of the Lease, this Sublease and any assignment thereof. The Sublessee will promptly furnish to the Lendor, the Lessor and the Sublessor evidence of such execution, acknowledgment and delivery.

§17. INTEREST ON OVERDUE RENTALS. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Sublessee promptly to pay also an amount equal to 12% per annum of the amount of the overdue rentals for the period of time during which they are overdue.

§18. NOTICES. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

if to the Sublessor, at

One Indiana Square, Indianapolis, Indiana
Attention: Corporate Trust Department

if to the Sublessee, at

Room 1310 Transportation Building
Six Penn Center Plaza, Philadelphia, Pa. 19104
Attention: Treasurer

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§19. REPRESENTATIONS AND WARRANTIES OF SUBLESSEE.
Sublessee represents and warrants to Sublessor that:

(a) Sublessee is duly incorporated, validly existing and in good standing under the laws of the State of Indiana and has the corporate power and authority to carry on its business as now conducted and to enter into and perform its obligations under this Sublease, the Purchase Agreement and the Assignment of Purchase Agreement.

(b) This Sublease, the Purchase Agreement and the Assignment of Purchase Agreement have been duly authorized, executed and delivered by Sublessee and constitute legal, valid and binding obligations of Sublessee enforceable against Sublessee in accordance with their terms.

(c) The execution and delivery by the Sublessee of this Sublease, the Purchase Agreement and the Assignment of Purchase Agreement and the performance by Sublessee of its obligations thereunder will not violate the Articles of Incorporation or By-Laws of Sublessee or any indenture, agreement or other instrument, license, judgment, order, statute, law or governmental regulation applicable to Sublessee.

(d) The execution, delivery and performance by Sublessee under this Sublease, the Purchase Agreement and the Assignment of Purchase Agreement do not require the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of any federal, state or other governmental authority or agency.

§20. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE. Any provision of this Sublease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibitions or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Sublease exclusively and completely states the rights of the Sublessor and the Sublessee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Sublease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the parties hereto.

§21. EXECUTION. This Sublease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in each case such counterparts together shall constitute but one and the same instrument.

Although this Sublease is dated as of December 18, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§22. LAW GOVERNING. This Sublease shall be construed in accordance with the laws of Indiana.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunto affixed and duly attested, as of the date first above written.

THE INDIANA NATIONAL BANK,
as Lessee Trustee under a
Lessee Trust Agreement dated
December 18, 1972

By 

[Corporate Seal]

Attest: 

SUBLESSOR

THE INDIANAPOLIS UNION RAILWAY COMPANY

By 

Vice President

[Corporate Seal]

Attest: 

ASSISTANT SECRETARY

SUBLESSEE

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On this 20th day of December, 1972, before me personally appeared Herbert D. Biddle, Jr, to me personally known, who, being by me duly sworn, says that he is a Vice President & Trust Officer of The Indiana National Bank, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed this day on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Virginia Houk
Notary Public

VIRGINIA HOUK, Notary Public
My Commission Expires March 15, 1975

My commission expires:

March 15, 1975

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF PHILADELPHIA)

On this 18th day of December, 1972, before me personally appeared F. J. GASPARINI, to me personally known, who, being by me duly sworn, says that he is a VICE PRESIDENT of The Indianapolis Union Railway Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed this day on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paul T. MacIntire
PAUL T. MacINTIRE Notary Public

My commission expires:

October 4, 1976

SCHEDULE A

<u>Type</u>	<u>Manufacturer's Plant</u>	<u>Quantity</u>	<u>Road Numbers (inclusive)</u>	<u>Unit Base Price*</u>	<u>Total Base Price</u>
1500 H. P. Model SW 1500 diesel electric locomotives	McCook, Illinois	3	30 - 32	\$190,844.00	\$572,532.00

*Excludes delivery costs of each unit.

NOTICE OF ASSIGNMENT

This is to advise that, effective April 1, 1976, 12:01 a.m., the Financing Agreement described below has been assigned to the Consolidated Rail Corporation by:

The Indianapolis Union Railway Company
31 East Georgia Street
Indianapolis, Indiana 46204

The Financing Agreement is a

, dated December 18, 1972 ,

bearing the ICC recordation number 6839-C .

The payee's name and address is: Indiana National Leasing Inc.
One Indiana Square
Indianapolis, Indiana

This Notice of Assignment has been placed in the file of the ICC recordation number listed above and the entire assignment is contained in the ICC recordation file stamped in the margin of this assignment. A copy hereof will be promptly mailed to the payee listed above for distribution to the beneficial holder(s) of the Financing Agreement described in this Notice of Assignment.

Consolidated Rail Corporation